

## **INTERNAL SERVICE FUNDS**

INTERNAL SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR SERVICES FURNISHED TO OTHER COUNTY DEPARTMENTS AND ARE FINANCED PRIMARILY BY THESE SERVICE CHARGES. BECAUSE THEY ARE EXEMPT FROM BUDGETARY CONTROL, THEY ARE FREE TO EMPLOY COMMERCIAL ACCOUNTING TECHNIQUES, AND ARE OFTEN USED IN SITUATIONS WHERE A MORE ACCURATE DETERMINATION OF OPERATING RESULTS IS DESIRED.

### **ROAD AND COMMUNICATION EQUIPMENT FUND**

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF PUBLIC WORKS AND COMMUNICATIONS EQUIPMENT PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

### **PURCHASING FUND**

THIS FUND ACCOUNTS FOR THE FINANCING OF MATERIALS AND SUPPLIES PROVIDED TO COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

### **SPECIAL DISTRICT LOANS FUND**

THIS FUND WAS ESTABLISHED TO PROVIDE FINANCING FOR START UP SERVICES FOR NEW SPECIAL DISTRICTS AND COUNTY SERVICE AREAS ON A COST REIMBURSEMENT BASIS.

### **RISK FINANCING**

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR ALL OF THE COUNTY'S UNINSURED RISK MANAGEMENT ACTIVITIES.

### **FLEET SERVICES FUND**

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' FLEET VEHICLES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

### **MAIL, PRINT & RECORDS**

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' MAIL, PRINTING AND RECORD STORAGE SERVICES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

### **OTHER MISCELLANEOUS FUND**

THIS FUND WAS ESTABLISHED TO PROVIDE FOR THE FINANCING OF CLOTHING AND PERSONAL SUNDRY ITEMS FOR PERSONS INSTITUTIONALIZED AT VARIOUS COUNTY FACILITIES.

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

**STATEMENT 7**

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 15,918	586	586
Collections in Transit			
Imprest Cash		200	
Accounts Receivable	2	2	
Due from Other Funds	862	4,846	
Advances to Other Funds			316
Inventory of Equipment, Materials and Supplies, at cost	517	900	
Equipment, Net of Allowance for Depreciation of \$16,121 in 1999 (\$13,288 in 1998)	15,211		
Total Assets	\$ 32,510	6,534	902
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts Payable	\$ 118	5,127	
Due to Other Funds	429	4	
Long-Term Debt Payable			
Total Liabilities	547	5,131	
Fund Equity:			
Contributed Capital	9,541	1,171	902
Retained Earnings:			
Unreserved	22,422	232	
Total Fund Equity	31,963	1,403	902
<b>Total Liabilities and Fund Equity</b>	<b>\$ 32,510</b>	<b>6,534</b>	<b>902</b>

(Cont)

**FINANCIAL REPORT OF SAN DIEGO COUNTY**

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET**

**June 30, 1999**

**With Comparative Figures for June 30, 1998**

**(In Thousands)**

**STATEMENT 7 (Cont)**

	RISK FINANCING	FLEET SERVICES	MAIL, PRINT & RECORDS
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 38,651	9,986	681
Collections in Transit		1	
Imprest Cash			
Accounts Receivable	36	61	54
Due from Other Funds	1,054	2,430	167
Advances to Other Funds			
Inventory of Equipment, Materials and Supplies, at cost		719	115
Equipment, Net of Allowance for Depreciation of \$16,121 in 1999 (\$13,288 in 1998)		23,791	802
Total Assets	\$ 39,741	36,988	1,819
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts Payable	\$ 131	502	299
Due to Other Funds	183	673	148
Long-Term Debt Payable	65,221	11,008	377
Total Liabilities	65,535	12,183	824
Fund Equity:			
Contributed Capital		23,615	575
Retained Earnings:			
Unreserved	(25,794)	1,190	420
Total Fund Equity	(25,794)	24,805	995
<b>Total Liabilities and Fund Equity</b>	\$ 39,741	36,988	1,819

(Cont)

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

**STATEMENT 7 (Cont)**

			TOTALS	
		OTHER MISCELLANEOUS	1999	1998
ASSETS				
Equity in Pooled Cash and Investments	\$	1,098	67,506	54,058
Collections in Transit		41	42	89
Imprest Cash			200	200
Accounts Receivable			155	113
Due from Other Funds		20	9,379	8,149
Advances to Other Funds			316	476
Inventory of Equipment, Materials and Supplies, at cost		145	2,396	2,686
Equipment, Net of Allowance for Depreciation of \$16,121 in 1999 (\$13,288 in 1998)		78	39,882	27,674
Total Assets	\$	1,382	119,876	93,445
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$	85	6,262	6,611
Due to Other Funds		222	1,659	4,587
Long-Term Debt Payable			76,606	88,973
Total Liabilities		307	84,527	100,171
Fund Equity:				
Contributed Capital		4	35,808	25,766
Retained Earnings:				
Unreserved		1,071	(459)	(32,492)
Total Fund Equity		1,075	35,349	(6,726)
Total Liabilities and Fund Equity	\$	1,382	119,876 (Statement 1A)	93,445

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

**STATEMENT 7A**

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	RISK FINANCING	FLEET SERVICES
<b>Operating Revenues:</b>				
Charges for Services	\$ 6,039	47,442	32,370	8,558
<b>Operating Expenses:</b>				
Cost of materials	672	47,525		1,564
Claims and Judgments			1,958	
Repairs and maintenance	2,374			1,048
Fuel	365			2,451
Contracted Services				170
Depreciation	1,522			2,869
Other	1,546			67
Total Operating Expenses	6,479	47,525	1,958	8,169
Operating Income (Loss)	(440)	(83)	30,412	389
<b>Nonoperating Revenues:</b>				
Interest	583	13	1,041	438
Other				
Total Nonoperating Revenues	583	13	1,041	438
<b>Nonoperating Expenses:</b>				
Loss on Disposal of Equipment	108			31
Interest on Long Term Debt				361
Total Nonoperating Expenses	108			392
Nonoperating Income (Loss)	475	13	1,041	46
Income (Loss) Before Operating Transfers	35	(70)	31,453	435
Operating Transfers In				260
Operating Transfers (Out)			(37)	(98)
Net Income (Loss)	35	(70)	31,416	597
<b>Retained Earnings:</b>				
Beginning Balance	22,387	302	(57,210)	593
Residual Equity Transfers (Out)				
<b>Ending Balance (Statement 7)</b>	\$ 22,422	232	(25,794)	1,190

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**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

**STATEMENT 7A (Cont)**

	MAIL, PRINT & RECORDS	OTHER MISCELLANEOUS	<u>TOTALS</u>	
			1999	1998
<b>Operating Revenues:</b>				
Charges for Services	\$ 8,300	2,763	105,472	96,325
<b>Operating Expenses:</b>				
Cost of materials	8,071	1,309	59,141	53,234
Claims and Judgments			1,958	27,828
Repairs and maintenance	266	12	3,700	3,653
Fuel		1	2,817	3,030
Contracted Services			170	150
Depreciation	116	13	4,520	3,128
Other	17	122	1,752	952
Total Operating Expenses	8,470	1,457	74,058	91,975
Operating Income (Loss)	(170)	1,306	31,414	4,350
<b>Nonoperating Revenues:</b>				
Interest	44	13	2,132	1,972
Other		4	4	
Total Nonoperating Revenues	44	17	2,136	1,972
<b>Nonoperating Expenses:</b>				
Loss on Disposal of Equipment			139	408
Interest on Long Term Debt	27		388	241
Total Nonoperating Expenses	27		527	649
Nonoperating Income (Loss)	17	17	1,609	1,323
Income (Loss) Before Operating Transfers	(153)	1,323	33,023	5,673
Operating Transfers In			260	242
Operating Transfers (Out)		(1,115)	(1,250)	(995)
Net Income (Loss)	(153)	208	32,033	4,920
<b>Retained Earnings:</b>				
Beginning Balance	573	863	(32,492)	(36,899)
Residual Equity Transfers (Out)				(513)
<b>Ending Balance (Statement 7)</b>	\$ 420	1,071	(459)	(32,492)

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

**STATEMENT 7B**

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ (440)	(83)	
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation	1,522		
Decrease (Increase) in Accounts Receivable	2	7	
Decrease (Increase) in Due from Other Funds	(195)	(493)	
Decrease (Increase) in Inventory	(56)	140	
Increase (Decrease) in Accounts Payable	(379)	329	
Increase (Decrease) in Due to Other Funds	(3,022)	4	
Increase (Decrease) in Long-Term Debt Payable			
Net Cash Provided (Used) by Operating Activities	(2,568)	(96)	
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Residual Equity Transfer In			
Residual Equity Transfer (Out)			
Transfers from (to) Other Funds			
Advances Made on Long-Term Loans			159
Net Cash Provided (Used) by Non-Capital Financing Activities			159
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets	(3,158)		
Proceeds from Sales of Equipment	532		
Principal paid on Long-Term Debt			
Interest Paid on Long Term Debt			
Residual Equity Transfers In			
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,626)		
<b>Cash Flows from Investing Activities:</b>			
Interest	733	13	7
Net Increase (Decrease) in Cash and Cash Equivalents	(4,461)	(83)	166
Cash and Cash Equivalents-Beginning of Year	20,379	869	420
Cash and Cash Equivalents-End of Year	\$ 15,918	786	586
<b>Noncash Investing, Capital Financing Activities</b>			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$		
Acquisition of Fixed Assets through Capital Lease			
Assumption of Capital Lease from Gen Long-Term Debt			
Accrued Interest	44		
Residual Equity Transfer from General Fund			
<b>Total Noncash Investing, Capital Financing Activities</b>	\$ 44		

(Cont)

See Accompanying Independent Auditor's Report

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 1999**  
**With Comparative Figures for June 30, 1998**  
**(In Thousands)**

**STATEMENT 7B (Cont)**

	RISK FINANCING	FLEET SERVICES	MAIL, PRINT & RECORDS
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ 30,412	389	(170)
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation		2,869	116
Decrease (Increase) in Accounts Receivable	(36)	(44)	33
Decrease (Increase) in Due from Other Funds	(965)	(520)	(55)
Decrease (Increase) in Inventory		108	92
Increase (Decrease) in Accounts Payable	(131)	113	210
Increase (Decrease) in Due to Other Funds	(454)	202	(72)
Increase (Decrease) in Long-Term Debt Payable	(19,035)	(98)	
Net Cash Provided (Used) by Operating Activities	9,791	3,019	154
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Residual Equity Transfer In			
Residual Equity Transfer (Out)			
Transfers from (to) Other Funds	(37)	259	
Advances Made on Long-Term Loans			
Net Cash Provided (Used) by Non-Capital Financing Activities	(37)	259	
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets		(5,302)	(42)
Proceeds from Sales of Equipment		16	
Principal paid on Long-Term Debt		(1,977)	(92)
Interest Paid on Long Term Debt		(259)	(20)
Residual Equity Transfers In		10,564	
Net Cash Provided (Used) by Capital and Related Financing Activities		3,042	(154)
<b>Cash Flows from Investing Activities:</b>			
Interest	1,041	351	39
Net Increase (Decrease) in Cash and Cash Equivalents	10,795	6,671	39
Cash and Cash Equivalents-Beginning of Year	27,856	3,316	642
Cash and Cash Equivalents-End of Year	\$ 38,651	9,987	681
<b>Noncash Investing, Capital Financing Activities</b>			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$	744	6
Acquisition of Fixed Assets through Capital Lease		8,683	55
Assumption of Capital Lease from Gen Long-Term Debt			
Accrued Interest		372	18
Residual Equity Transfer from General Fund		1,322	
<b>Total Noncash Investing, Capital Financing Activities</b>	\$	11,121	79

(Cont)

See Accompanying Independent Auditor's Report



**FINANCIAL REPORT OF SAN DIEGO COUNTY**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 1999  
With Comparative Figures for June 30, 1998  
(In Thousands)**

	OTHER MISCELLANEOUS	<b>STATEMENT 7B (Cont)</b>	
		<b>TOTALS</b>	
		1999	1998
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ 1,306	31,414	4,350
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation	13	4,520	3,128
Decrease (Increase) in Accounts Receivable		(38)	(91)
Decrease (Increase) in Due from Other Funds	43	(2,185)	(2,445)
Decrease (Increase) in Inventory	6	290	(235)
Increase (Decrease) in Accounts Payable	(5)	137	3,243
Increase (Decrease) in Due to Other Funds	44	(3,298)	433
Increase (Decrease) in Long-Term Debt Payable		(19,133)	7,848
Net Cash Provided (Used) by Operating Activities	1,407	11,707	16,231
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Residual Equity Transfer In			3,059
Residual Equity Transfer (Out)			(513)
Transfers from (to) Other Funds	(1,115)	(893)	241
Advances Made on Long-Term Loans		159	(928)
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,115)	(734)	1,859
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets	(31)	(8,533)	(6,087)
Proceeds from Sales of Equipment		548	181
Principal paid on Long-Term Debt		(2,069)	(1,502)
Interest Paid on Long Term Debt		(279)	(241)
Residual Equity Transfers In		10,564	47
Net Cash Provided (Used) by Capital and Related Financing Activities	(31)	231	(7,602)
<b>Cash Flows from Investing Activities:</b>			
Interest	13	2,197	1,945
Net Increase (Decrease) in Cash and Cash Equivalents	274	13,401	12,433
Cash and Cash Equivalents-Beginning of Year	865	54,347	41,914
Cash and Cash Equivalents-End of Year	\$ 1,139	67,748	54,347
<b>Noncash Investing, Capital Financing Activities</b>			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$	750	(501)
Acquisition of Fixed Assets through Capital Lease		8,738	1,603
Assumption of Capital Lease from Gen Long-Term Debt			(4,616)
Accrued Interest		434	
Residual Equity Transfer from General Fund		1,322	2,594
<b>Total Noncash Investing, Capital Financing Activities</b>	\$	11,244	(920)

See Accompanying Independent Auditor's Report